

**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**  
**REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**



**WALTER MA & COMPANY**  
Certified Public Accountants (Practising)  
Hong Kong



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01/04/2022

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**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**  
**(incorporated in Hong Kong and limited by guarantee)**

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**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**REPORT OF THE DEACONS**

The deacons have pleasure in submitting their annual report together with the audited financial statements for the year ended 31 May 2021.

**PRINCIPAL ACTIVITY**

The principal activity of the Church is to preach the gospel of the Jesus Christ.

**FINANCIAL RESULTS**

The results of the Church for the year ended 31 May 2021 and the state of the Church's affairs at that date are set out in the financial statements on pages 5 to 9.

**DEACONS**

The deacons of the Church during the year and up to the date of this report were:-

CHAN Chui Ping Psyche	
CHAN Ka Ngai	
CHEUNG Shu Keung	(Resigned on 31 October 2020)
CHIK Yuk Nam	
CHUNG Kwok Wai	
FOO Ching Lan	(Appointed on 13 March 2021)
KO Shu Pui Patrick	
LAU Ka Wing	
LAU Kwok Wai Simon	
LAU Pan Yuen	(Appointed on 31 October 2020)
LEE Yin Shan Maggie	
LIN Sim Wah Samantha	
LUI Bit Keung	(Resigned on 17 November 2020)
LUNG Ka Yin	(Appointed on 1 January 2021)
NG So Lan Esther	
NG Sze Fung	
TANG Pui Ki	
TO Wai Nam William	
TSE Kam Fai Kelvin	(Appointed on 17 November 2020 and resigned on 29 January 2021)
WONG Man Ling	
YAU Fung Men	(Resigned on 1 January 2021)
YEUNG Kwok Lun Andrew	
YEUNG Kwok Chiu	
YOUNG Wei Ming	
YU Pak Keung	

In accordance with Article 41 of the Church's Articles of Association, all the deacons shall hold office for two years and being eligible, offer themselves for re-election.

**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

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**REPORT OF THE DEACONS**

**CHAIRMAN**

Chik Yuk Nam was elected Chairman of the Board.

**DEACONS' INTERESTS IN CONTRACTS OF SIGNIFICANCE**

No contracts of significance to which the Church was a party and in which a deacon of the Church had a material interest, whether directly or indirectly, subsisted at the end of the year or any time during the year.

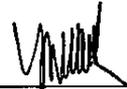
**MANAGEMENT CONTRACTS**

No contracts concerning the management and administration of the whole or any substantial part of the affairs of the Church were entered into or existed during the year.

**AUDITOR**

A resolution will be submitted to the annual general meeting to re-appoint the auditor, Messrs. Walter Ma and Company, Certified Public Accountants.

On behalf of the Board



Chairman, Chik Yuk Nam

**HONG KONG, 11 SEPTEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED  
(incorporated in Hong Kong with limited liability by guarantee)**

**Opinion**

We have audited the financial statements of Association of Kowloon Pentecostal Churches Limited ("the Church") set out on pages 5 to 9, which comprise the statement of financial position as at 31 May 2021, and the income statement, and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Church are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to PN 900 (Revised) Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Deacons' and Those Charged with Governance for the Financial Statements**

The deacons are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the deacons determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the deacons are responsible for assessing the Church's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the deacons either intend to liquidate the Church or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Church's financial reporting process.



# WALTER MA & COMPANY

Certified Public Accountants (Practising)

Raymond Keung FCPA (Practising)

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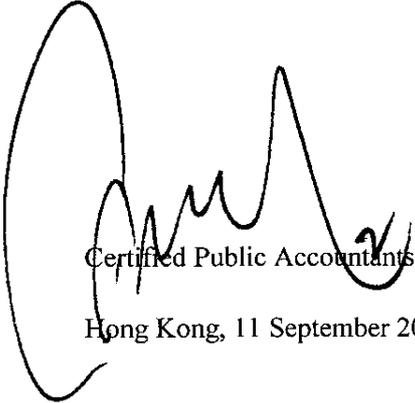
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香港灣仔道  
一百八十五號  
康樂商業大廈  
十五樓

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**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**  
**TO THE MEMBERS OF**  
**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**  
**(incorporated in Hong Kong with limited liability by guarantee)**

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622), and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Certified Public Accountants (Practising)

Hong Kong, 11 September 2021

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**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2021**

	<u>Note</u>	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Revenue</b>	(3)	241,032	228,732
Other revenue		2,140	36
Operating expenses		<u>(126,079)</u>	<u>(108,825)</u>
Surplus before taxation	(4)	117,093	119,943
Taxation	(5)	<u>-</u>	<u>-</u>
<b>Surplus for the year</b>		<u><u>117,093</u></u>	<u><u>119,943</u></u>

The notes on pages 8 to 9 form an integral part of these financial statements.

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**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**STATEMENT OF FINANCIAL POSITION**

**AS AT 31 MAY 2021**

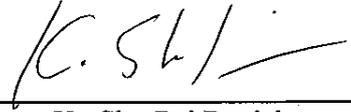
	<u>2021</u> HK\$	<u>2020</u> HK\$
<b>Current assets</b>		
Accounts receivable	-	10,600
Fixed deposit	1,002,140	-
Cash and bank balances	182,184	1,073,129
	<u>1,184,324</u>	<u>1,083,729</u>
<b>Current liabilities</b>		
Accruals and other payables	<u>4,800</u>	<u>21,298</u>
<b>Net current assets</b>	<u>1,179,524</u>	<u>1,062,431</u>
<b>NET ASSETS</b>	<u><u>1,179,524</u></u>	<u><u>1,062,431</u></u>

***REPRESENTED BY:***

General fund	1,149,206	1,019,053
Lau Kwok Wai tent-making missionary fund	30,318	43,378
	<u>1,179,524</u>	<u>1,062,431</u>

The financial statements on pages 5 to 9 were approved and authorised for issue by the Board of Deacons on 11 September 2021.

  
\_\_\_\_\_  
Deacon, Chik Yuk Nam

  
\_\_\_\_\_  
Deacon, Ko Shu Pui Patrick

The notes on pages 8 to 9 form an integral part of these financial statements.

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**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MAY 2021**

	General fund HK\$	Lau Kwok Wai tent-making missionary fund HK\$	Total HK\$
<b>Balance as at 1 June 2019</b>	942,488	-	942,488
Surplus for the year	<u>76,565</u>	<u>43,378</u>	<u>119,943</u>
<b>Balance as at 31 May 2020 and 1 June 2020</b>	1,019,053	43,378	1,062,431
Surplus / (Deficit) for the year	<u>130,153</u>	<u>(13,060)</u>	<u>117,093</u>
<b>Balance as at 31 May 2021</b>	<u><u>1,149,206</u></u>	<u><u>30,318</u></u>	<u><u>1,179,524</u></u>

The notes on pages 8 to 9 form an integral part of these financial statements.

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**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**

**1. GENERAL INFORMATION**

Association of Kowloon Pentecostal Churches Limited, is incorporated in Hong Kong with liability limited by guarantee such that under the provision of the Articles of Association, every member shall, in the event of the Church being wound up, contribute such amount not exceeding HK\$10.00 as may be required to meet the liabilities of the Church, for each member. The Church's registered office is located at 3/F., Kam Bit Building, 16 Victory Avenue, Homantin, Kowloon, Hong Kong. Its Principal activities are to preach the gospel of the Jesus Christ.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The Church qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with that SME-FRS and have been prepared under the accrual basis of accounting and on basis that the Church is a going concern.

**(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Church and the revenue and cost, if applicable, can be measured reliably, revenue is recognised in profit or loss as follow:

(i) Membership fee, church collection and monthly pledge are recognized on cash receipt basis.

(ii) Interest income is recognised as it accrues using the effective interest method.

**(c) Foreign currencies**

Items included in the financial statements are measured using the currency of the primary economic environment on which the entity operates (the functional currency). These financial statements are presented in Hong Kong Dollars, which is the Church's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-ended exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

**3. REVENUE**

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Church Collections and Monthly Pledge	188,032	163,556
Lau Kwok Wai tent-making missionary fund income	48,000	60,176
Membership Fee	5,000	5,000
	<u>241,032</u>	<u>228,732</u>

**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2021**

**4. SURPLUS BEFORE TAXATION**

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
This is stated at after charging / (crediting) the followings:-		
Auditor's Remuneration	4,800	4,500
Deacons' Remuneration (Note 6)	-	-
Bank Interest Received	<u>(2,140)</u>	<u>(36)</u>

**5. TAXATION**

No provision for Hong Kong Profits Tax has been provided in the financial statements as the Church is an approved charitable institution under Section 88 of the Inland Revenue Ordinance (Chapter 112) and is therefore exempted from taxes levied under this Ordinance.

**6. DEACONS' REMUNERATION**

Deacons' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance is as follow:

	<u>2021</u>	<u>2020</u>
	HK\$	HK\$
Fees	-	-
Other emoluments	<u>-</u>	<u>-</u>

**APPENDIX**

**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2021**

	General Fund	Lau Kwok Wai tent-making missionary fund
	HK\$	HK\$
<b>Revenue</b>		
Church collections and monthly pledge	188,032	-
Lau Kwok Wai tent-making missionary fund income	-	48,000
Membership fee	5,000	-
	<u>193,032</u>	<u>48,000</u>
<b>Other revenue</b>		
Bank interest received	2,140	-
	<u>2,140</u>	<u>-</u>
<b>Operating expenses</b>		
Activity expenses	16,500	-
Auditor's remuneration	4,800	-
Bank charges	300	-
Lau Kwok Wai tent-making missionary fund expenses	-	61,060
Printing and stationary	745	-
Offering	-	-
Preach expenses	-	-
Sundry expenses	42,674	-
	<u>65,019</u>	<u>61,060</u>
<b>Surplus / (Deficit) before taxation</b>	<u>130,153</u>	<u>(13,060)</u>

**APPENDIX**

**ASSOCIATION OF KOWLOON PENTECOSTAL CHURCHES LIMITED**

**(incorporated in Hong Kong and limited by guarantee)**

**DETAILED INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2021**

	<u>2021</u>	<u>2020</u>
	<u>Total</u>	<u>Total</u>
	HK\$	HK\$
<b>Revenue</b>		
Church collections and monthly pledge	188,032	163,556
Lau Kwok Wai tent-making missionary fund income	48,000	60,176
Membership fee	5,000	5,000
	<u>241,032</u>	<u>228,732</u>
<b>Other revenue</b>		
Bank interest received	2,140	36
	<u>2,140</u>	<u>36</u>
<b>Operating expenses</b>		
Activity expenses	16,500	10,200
Auditor's remuneration	4,800	4,500
Bank charges	300	300
Lau Kwok Wai tent-making missionary fund expenses	61,060	16,798
Printing and stationary	745	1,295
Offering	-	35,000
Preach expenses	-	9,804
Sundry expenses	42,674	30,928
	<u>126,079</u>	<u>108,825</u>
<b>Surplus before taxation</b>	<u>117,093</u>	<u>119,943</u>